



15th November 2020

The Catalyst Trusteeship Service Ltd
Windsor, 6th Floor, Office No-604,
C.S.T Road, Kalina, Santacruz (East),
Mumbai – 400 098

Dear Sir/Madam,

Sub: Compliance Report of the NCD's for the half year ending 30th September 2020.
Ref: Non-convertible Debentures issued by the Company

With reference to the captioned subject, please find below the followings:

1. Updated list of the names and addresses of the Debenture holders: Enclosed in **Annexure -1**
2. Details of any due and unpaid interest and principal payments: Enclosed in **Annexure -2**
3. Grievances:
 - a) Number of Grievances received: Nil
 - b) Nature of Grievances received: Nil
 - c) Number of Grievances resolved by the Company: Nil
 - d) Grievances unresolved by the Company and the reason for the same: Nil
4. Certificate from Independent Chartered Accountant on the assets of the Company hypothecated to the NCD issuance and security cover: Enclosed as **Annexure-3**
5. Certificate from Independent Chartered Accountant in respect of utilisation of funds: Enclosed as **Annexure-4**
6. Details of any significant change in composition of Board of Directors as defined by SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011:

During the half year, there was no significant change in composition of Board of Directors as defined by SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. However, kindly note that the Company had appointed Mr. Kartik Srivatsa as Non-Executive Nominee Director with effect from 30th May 2020 and Mr. Sridhar Srinivasan stepped down as the Non-Executive Independent Director of the Company with effect from 28th August 2020. List of Directors of the Company as available on MCA website is enclosed as **Annexure 5**.



7. Details of pending information/condition precedent/subsequent in debenture documents in respect of NCD transaction:

We confirm that, there is no pending information/condition precedent/subsequent in debenture documents in respect of NCD transaction.

8. Any revision in rating of the debentures: Yes, attaching herewith the rating letter dated 17th June 2020 and rating rationale dated 17th June 2020 obtained from Brickwork Ratings India Pvt. Ltd. as **Annexure-6A and 6B.**

9. Updated Information on default in payment of principal and interest on due dates: Nil

For and on behalf of **Vivriti Capital Private Limited**

P S

Amritha

Digitally signed
by P S Amritha
Date: 2020.11.15
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P S Amritha
Company Secretary
Mem No. A49121



Annexure -1

S.No	ISIN	Issue Amount (Rs. In Crs)	Name of the Debenture Holder**	Address of the Debenture Holder	Category	No. of Debentures held
1	INE01HV07015	199.00	Franklin Templeton India Mutual Fund	Indiabulls, Finance Center, Tower 2, 13th Floor, Senapati, Bapat Marg, Elphinstone(W), Mumbai-400013	Mutual Funds - MF	1,990
2	INE01HV07031	40.00	Reliance Mutual Fund	Reliance Centre, 7th floor South Wing Near Prabhat Colony, Santacruz (East), Mumbai - 55	Mutual Funds- MF & Corporate Body - Domestic	400
3	INE01HV07049	20.00	InCred Financial Services Limited	Unit 1502 A Tower B The Capital Bkc, Complex Bandra East C 70, G Block, Mumbai - 51	Corporate Body - Domestic	200
4	INE01HV07064	5.35	Ladderup Wealth Management Private Limited	102-A, 1st Floor, Hallmark Business Plaza, Gurunanak Hospital Road, Bandra East, Mumbai, Maharashtra - 400051	Corporate Body-Domestic, Resident-Ordinary & NRI-Non Repatriable	107.00
5	INE01HV07072	25.00	Arka Fincap Limited	Unit No 1202 12th Floor Tower, 2b One Indiabulls Center, Jupitar	Corporate Body-Domestic	250



				Mills Marg Lower Parel W, Mumbai Maharashtra		
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****Note 1: Details of scheme as per BENPOS as on 30th September 2020**

S.No	ISIN	Particulars of the Scheme	No. of Debentures held
1	INE01HV07015	Franklin India Short Term Income Plan	1,390
2		Franklin India Credit Risk Fund	400
3		Franklin India Ultra Short Bond Fund	200
	Total		1,990

****Note 2: Details of Funds as per BENPOS as on 30th September 2020**

S.No	ISIN	Particulars of the fund	No. of Debentures held
1	INE01HV07031	Reliance Capital Trustee Co Ltd- A/C Nippon India Fixed Horizon Fund - XXXVIII - Series 11	150
2		CSB Bank Ltd	150
3		Reliance Capital Trustee Co Ltd- A/C Nippon India Fixed Horizon Fund - XXXIX - Series 5	100
	Total		400

****Note 3: Details of Debenture holders as per BENPOS as on 30th September 2020**

S.No	ISIN	Particulars	No. of Debentures held
1	INE01HV07049	InCred Financial Services Limited	200
	Total		200

****Note 4: Details of Debenture holders as per BENPOS as on 30th September 2020**

S.No	ISIN	Particulars Of The Holders	No. of Debentures held
1	INE01HV07064	Swapan Rajdev	10
2		James Chagas Pereira	6
3		Rohini Ajay Vaish	5
4		Ajay Surendra Vaish	5
5		Saroj Agarwal	5
6		Amit Agarwal	5
7		Pankaj Natvarlal Shah	4
8		Shailendra Kumar Tripathi	4



9		Shivalik Prasad	4
10		Bibhuti Mohan Jha	4
11		Kunda Kashinath Bhagat	4
12		Ambuj Jain	4
13		Atul Gaur	4
14		Jashvant C Raval	4
15		Minnu Rajan Bhonsle	4
16		Sachin Raghunandan Kotangale	4
17		Bel-Air Resorts Private Limited	4
18		Kalpana Haresh Samtani	2
19		Parasmal Tarachand Jalori	2
20		Blanche Dias	2
21		Anujan Pallissery Cheriya	2
22		Aakash Yogendralal Shah	2
23		Arunkumar Rajaram Iyer Huf	2
24		Subrata Chatterjee	2
25		Chandrakant Shantilal Shah	2
26		Sujan Sinha	2
27		Shrikrishna Dattatray Naik	1
28		Mandar Shrikrishna Naik	1
29		Rolly Swarup	1
30		Amit Das	1
31		Anurag Mehra	1
32		Rahul Swarup	1
33		Baqar Raza Mehdi Bakht	1
34		Ami Nayak	1
35		Rekha Prafull Satam	1
	Total		107

****Note 5: Details of Debenture holders as per BENPOS as on 30th September 2020**

S.No	ISIN	Particulars	No. of Debentures held
1	INE01HV07072	Arka Fincap Limited	250
	Total		250

Annexure 2

Name of the Company: **Vivriti Capital Private Limited****Half Yearly Compliance as on 30th September 2020 – Listed NCDs – Statement on ISIN, BENPOS, Payment on due dates, Credit Rating and DRR requirement**

Sr. No.	Consent letter / Tranche reference	Consent letter/ Tranche date	ISIN	Issue Size (per ISIN) Rs. Crore	Listed / Unlisted	Secured / Unsecured	<u>Defaulted</u> or <u>Delayed</u> Principal / Interest Outstanding (if any) (in Rs. Crore)	Due date of payment (<i>in respect of default on Due date</i>)	Actual date of payment (<i>in respect of default on Due date</i>)	Date of information sharing with Credit Rating Agency (<i>in case of default</i>)	Credit Rating & Agency as at the end of last quarter	Number of Investors as at the end of quarter	Creation of Debenture Redemption Reserve, if applicable - Status thereof
1	CL/MUM/18-19/DEB/760	15-Mar-2019	INE01HV07015	1,99,00,00,000	Listed	Secured	Nil	NA	NA	NA	[ICRA] A-; Stable	3 (Three)	NA

2	CL/MUM/ 19- 20/DEB/13 4	25- Jun- 2019	INE01HV 07023	7,00,00,0 00	Listed	Secured	Nil	NA	NA	NA	PP-MLD [ICRA] A- ; Stable	0*	NA
3	CL/MUM/ 19- 20/DEB/25 4/1	16- Aug- 2019	INE01HV 07031	40,00,00, 000	Listed	Secured	Nil	NA	NA	NA	[ICRA] A- ; Stable	3 (Three)	NA
4	CL/MUM/ 19- 20/DEB/26 2	22- Aug- 2019	INE01HV 07049	20,00,00, 000	Listed	Secured	Nil	NA	NA	NA	[ICRA] A- ; Stable	1 (One)	NA
5	CL/MUM/ 19- 20/DEB/92 9	11- Feb- 2020	INE01HV 07064	5,35,00,0 00	Listed	Secured	Nil	NA	NA	NA	PP-MLD [ICRA] A- ; Stable	35 (Thirty- five)	NA
6	CL/MUM/ 19- 20/DEB/10 17	04- Mar- 2020	INE01HV 07072	25,00,00, 000	Listed	Secured	Nil	NA	NA	NA	[ICRA] A- ; Stable	1 (One)	NA

**Note: The Non-Convertible Debentures were redeemed during the reporting period.*

For and on behalf of **Vivriti Capital Private Limited**

PS
Amritha

Digitally signed
by P S Amritha
Date:
2020.11.15
20:45:43 +05'30'

P S Amritha
Company Secretary
Mem No. A49121

Deloitte Haskins & Sells LLP

Chartered Accountants

Indiabulls Finance Centre,
27th – 32nd Floor, Tower 3,
Senapati Bapat Marg,
Elphinstone Mill Compound,
Elphinstone (W), Mumbai- 400 013,
Maharashtra, India.

Phone: +91 22 6185 4000
Fax: +91 22 6185 4501/4601

The Board of Directors
Vivriti Capital Private Limited
12th Floor, Prestige Polygon,
No. 471, Annasalai, Nandanam
Chennai 600035

Independent Auditors' report on the "Statement of Asset Cover as at September 30, 2020"

1. The report is issued in accordance with the terms of our engagement letter dated October 12, 2020.
2. We Deloitte Haskins & Sells LLP, Mumbai, Chartered Accountants (Firm Registration Number 117366W/W-100018), have examined the audited books of account as at and for the half year ended September 30, 2020 and other relevant records and documents maintained by Vivriti Capital Private Limited (the "Company") for the purpose of certifying the accompanying "Statement of Asset Cover as at September 30, 2020" (hereinafter referred to as the "Statement") which has been prepared as per the requirement of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations 2020 dated October 8, 2020 (the "Notification") and Securities and Exchange Board of India (Debenture Trustees) Regulations 1993, for onward submission to the Catalyst Trusteeship Limited ("Debenture trustee").

Management's Responsibility for the Statement

3. The preparation of the accompanying Statement from the audited books of account and other related records of the Company as at and for the half year ended September 30, 2020 is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditors' Responsibility

4. Our responsibility for the purpose of this certificate is to provide a reasonable assurance on the basis of the audited books of account, other records and documents of the Company and as per the relevant information and explanations provided to us by the Management that the accompanying Statement is in agreement with the audited books of account as at and for the half year ended September 30, 2020, other relevant records and documents maintained by the Company and produced to us for our examination.
5. We conducted our audit of the books of account of the Company for the half year ended September 30, 2020 in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and issued an unmodified opinion vide our report dated November 6, 2020. Our report included an emphasis of matter paragraph relating to the potential impact of the COVID-19 Pandemic on the Company's books of account are dependent on future developments, which are highly uncertain. Our report was not modified in respect of this matter.
Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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Deloitte Haskins & Sells LLP

6. We carried out our audit in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

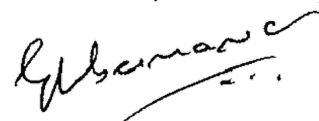
Opinion

8. Based on our audit and according to the information and explanations provided to us by the Management of the Company, we certify that the accompanying Statement is in agreement with the audited books of account as at and for the half year ended September 30, 2020, other relevant records and documents maintained by the Company and produced to us for our examination.

Restriction on Use

9. This certificate is issued at the request of the Management of the Company solely for the purpose of onward submission to the Debenture Trustee and should not be used for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)



G. K. Subramaniam
Partner
(Membership No. 109839)

UDIN: 20109839AAAAXG2637

Mumbai, November 7, 2020

Deloitte Haskins & Sells LLP

Chartered Accountants

Indiabulls Finance Centre,
27th – 32nd Floor, Tower 3,
Senapati Bapat Marg,
Elphinstone Mill Compound,
Elphinstone (W), Mumbai- 400 013,
Maharashtra, India.

Phone: +91 22 6185 4000
Fax: +91 22 6185 4501/4601

The Board of Directors
Vivriti Capital Private Limited
12th Floor, Prestige Polygon,
No. 471, Annasalai, Nandanam
Chennai 600035

Independent Auditors' report on the "Statement of utilisation of proceeds received from Debenture holders during the half year ended September 30, 2020"

1. The report is issued in accordance with the terms of our engagement letter dated October 12, 2020.
2. We Deloitte Haskins & Sells LLP, Mumbai, Chartered Accountants (Firm Registration Number 117366W/W-100018), have examined the audited books of account as at and for the half year ended September, 2020 and other relevant records and documents maintained by Vivriti Capital Private Limited (the "Company") for the purpose of certifying the accompanying "Statement of utilisation of proceeds received from Debenture holders as at September 30, 2020" (hereinafter referred to as the "Statement") which has been prepared as per the requirement of the Securities and Exchange Board of India (Debenture Trustees) Regulations 1993, for onward submission to the Catalyst Trusteeship Limited ("Debenture trustee").

Management's Responsibility for the Statement

3. The utilisation of the funds as stated in the Statement is the responsibility of the management of the Company including the preparation and the maintenance of proper books of account and other relevant records and documents. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the utilisation of the working capital, considering the fungibility of the funds and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditors' Responsibility

4. Our responsibility for the purpose of this certificate is to provide a reasonable assurance on the basis of the examination of the audited books of account, other records and documents of the Company and as per the relevant information and explanations provided and representation made to us by the Management that the accompanying Statement is in agreement with the audited books of account as at and for the half year ended September 30, 2020, other relevant records and documents maintained by the Company and produced to us for our examination.
5. We conducted our audit of the books of account of the Company as at and for the half year ended September 30, 2020 in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and issued an unmodified opinion vide our report dated November 6, 2020. Our report included an emphasis of matter paragraph relating to the potential impact of the COVID-19 Pandemic on the Company's books of account are dependent on future developments, which are highly uncertain. Our report was not modified in respect of this matter. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Deloitte Haskins & Sells LLP

6. We carried out our audit in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

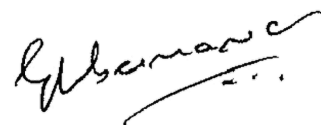
Opinion

8. Based on our audit and according to the information and explanations provided to us by the Management of the Company, we certify that the accompanying Statement is in agreement with the audited books of account as at and for the half year ended September 30, 2020, other relevant records and documents maintained by the Company and produced to us for our examination.

Restriction on Use

9. This certificate is issued at the request of the Management of the Company solely for the purpose of onward submission to the Debenture Trustee and should not be used for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)



G. K. Subramaniam
Partner
(Membership No. 109839)

UDIN: 20109839AAAAXF7507

Mumbai, November 7, 2020



Annexure – 6

List of Directors as per MCA

Ministry Of Corporate Affairs - M x +

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Directors/Signatory Details

DIN/PAN	Name	Begin date	End date	Surrendered DIN
00994532	NAMRATA KAUL	12/01/2019	-	
02545813	KENNETH DAN VANDER WEELE	18/01/2019	-	
03559152	KARTIK SRIVATSA	30/05/2020	-	
06848801	VINEET SUKUMAR	30/08/2017	-	
07298703	JOHN TYLER DAY	18/01/2019	-	
07767248	KUMAR GAURAV	22/06/2017	-	
AWGPA9942F	AMRITHA SURESH PAITENKER	19/06/2018	-	
CSTPS7528G	Shaik Mohammed Irfan Basha	01/10/2019	-	

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Brickwork Ratings India Pvt. Ltd.

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Corporate Park, Guru Hargovindji Marg,
Chakala, Andheri (East), Mumbai - 400 093
P: +91 22 2831 1426/39 | F: +91 22 2838 9144

BWR/NCD//CRC/VYD/0128/2020-21

17 June 2020

Mr. Parth Sanghani

Head - Treasury

Vivriti Capital Private Limited

12th Floor, Prestige Polygon,

No. 471, Anna Salai,

Nandanam, Chennai - 35

Dear Sir,

Sub: Rating of proposed Secured NCD of up to Rs 100 Crs.

Ref: Your mandate dated 13 June 2020.

Thank you for giving us an opportunity to undertake rating of the proposed Secured Non Convertible Debentures of Vivriti Capital Private Limited. Based on the information and clarifications provided by your company and as available in public sources, Brickwork Ratings is pleased to inform you that Vivriti Capital Private Limited's proposed secured NCDs of up to Rs 100 Crs (INR One Hundred Crores Only) has been assigned a rating of **BWR A/ Stable**.

Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

The Rating is valid for twelve months from the date of this letter and subject to terms and conditions that were agreed in your mandate dated 13 June 2020 and other correspondence, if any and Brickwork Ratings' standard disclaimer appended at the end of this letter.

Brickwork would conduct surveillance every year till maturity/ redemption of the instruments. You are required to submit information for the purpose of surveillance/review. You are also required to keep us informed of any information/development that may affect your firm's finances/performance without any delay. **You are also requested to submit No Default Statement on a monthly basis.**

Kindly acknowledge.

Best Regards,

Vydiathan Ramaswamy

Director & Head - Financial Sector Ratings

Note: In case of all accepted Ratings, respective Rating Rationale is published on Brickwork Ratings website. Interested persons are well advised to refer to our website www.brickworkratings.com, if they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.



RATING RATIONALE

17 June 2020

Vivriti Capital Private Limited

Brickwork Ratings assigns 'BWR A/Stable' to the proposed secured NCDs of Vivriti Capital Private Limited

Particulars

Facility/ Instrument	Amount Rated (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous (15 Feb 2020)	Present
Secured NCDs #	--	100.00	Long Term	--	BWR A/ Stable (Assigned)
Fund based (Term Loans) #	100.00	100.00	Long Term	BWR A/ Stable	BWR A/ Stable (Reaffirmed)
Total	100.00	200.00	INR Two Hundred Crores Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Proposed

RATING ACTION / OUTLOOK

Brickwork Ratings (BWR) assigns 'BWR A/ Stable' for the proposed secured NCDs of Rs 100 Crs and reaffirms the existing rating of Vivriti Capital Private Limited (VCPL or the company) as tabulated above. The rating continues to factor in strong capitalisation, sound credit underwriting and monitoring practices, and the experienced management team of the company. The rating is, however, constrained by a moderate scale of operations with limited loan seasoning and a high concentration towards lending to NBFCs.



KEY RATING DRIVERS

Credit Strengths

Strong capitalisation with improving profitability: VCPL's capital position is supported by frequent equity raising and low gearing. The company has raised equity to the tune of Rs 660 Crs in three tranches in the past 2 years (Rs 235 Crs in Q4 FY19, Rs 75 Crs in Q1 FY20 and Rs 350 Crs in Q4 FY20). VCPL's tangible net worth increased substantially to Rs 662.14 Crs as on 31 March 2020 from Rs 242.70 Crs as on 31 March 2019. The gearing was low at 1.17 times as on 31 March 2020. The company is comfortably placed to leverage and grow its balance sheet over the medium term.

The company reported an improvement in profitability, with the net profit and return on managed assets (ROMA) for FY20 at Rs 10.29 Crs and 0.95%, respectively, as against the net profit of Rs 1.70 Crs and ROMA of 0.54% for FY19. The improvement in profitability was mainly driven by an increased contribution from the fee income generated through the VCPL platform and balance sheet growth. The company now has a good mix of income from lending operations and fee income from the platform business, which cushions VCPL's overall profitability. As a part of its platform business, the company has transacted over 1200 deals with over 200 clients, the most being NBFCs, and it is one of the largest market makers in debt capital markets/ loan syndication for small NBFCs and SMEs. The impact of any asset quality deterioration on the profitability and capitalisation of the company over the near term is a key rating monitorable.

Sound credit underwriting and monitoring practices: The company has prudent customer on-boarding, underwriting and monitoring processes. It carries out thorough due diligence processes, including the detailed evaluation of the client's business and financial performance across years, field visits to the client's offices/branches and in-depth understanding of their organisational structure, processes and systems. VCPL also benefits from building an online platform (CredAvenue Marketplace) that provides market infrastructure for raising and investing in debt by institutions and enterprises. This platform has strong built-in infrastructure that collates the historical financial data of all its clients and evaluates performance based on various metrics, such as financial, peer and industry analyses.

VCPL has well-defined client group/ sector exposure limits. Around 94% of the company's on-book lending portfolio is secured and senior in nature. Out of the total assets under management (AUM) of Rs 1014 Crs as on 31 March 2020, Rs 980 Crs was to corporate clients and spread across more than 110 borrowers, wherein the average exposure per borrower corresponds to ~1% of the AUM as on that date. The company also has a dedicated post disbursement monitoring team that tracks client performance on a monthly/quarterly basis depending on their risk categorisation. This, coupled with the peer/industry analysis through CredAvenue, enables VCPL to have a strong hold on client performance and provides it with an



early warning system to take necessary corrective steps in case of distress in any of its credit exposures. The company's gross non-performing assets (NPAs) ratio was low at 0.64% as on 31 March 2020.

Experienced management: VCPL was founded by Mr. Gaurav Kumar and Mr. Vineet Sukumar, both having vast experience in credit lending and capital markets. The company also has a strong management team of qualified professionals having rich experience of over 10 years mainly in the financial services space. VCPL also has an experienced board representation consisting of two founder-directors, two independent directors and two nominee directors on behalf of Creation Investments India III, LLC, the company's largest shareholder. The company currently operates in two segments, viz., the lending business and arranger business and has built a well-experienced second line of management for each of these businesses.

Credit Risks

Moderate scale of operations with limited loan book seasoning: VCPL's scale of operations is moderate, with a total portfolio of Rs 1014 Crs as on 31 March 2020. Additionally, the company has slowed down its portfolio growth in the current environment and is looking at measured growth over the medium term. Furthermore, the loan portfolio has limited seasoning, given that the company started lending operations only in FY19. The company's collections have been impacted in Q1 of FY21 due to the nation-wide lockdown until 31 May 2020 on account of the COVID-19 pandemic. While the company has seen an improvement in collections in the first fortnight of June 2020, its ability to sustain the improvement in collections and maintain asset quality over FY21 will be a key monitorable.

High concentration towards lending to NBFCs: The company provides funding to various clients across asset classes such as micro finance, gold finance, housing finance, vehicle finance, agri finance, consumer finance, SME and enterprise finance. The majority of the lending is concentrated towards NBFCs. Furthermore, the top 10 exposures constituted around 25% of its total AUM as on 31 March 2020. Given the difficult operating environment, the NBFC sector has been facing over the past 24 months, which is also expected to continue in the near term, the company's loan portfolio will remain relatively exposed to unexpected adversities in the NBFC sector.

ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA

For arriving at its ratings, BWR has considered VCPL's standalone performance. BWR has applied its rating methodology as detailed in the rating criteria (hyperlinks provided at the end of this rationale).



RATING SENSITIVITIES

Going forward, the company's ability to steadily grow its portfolio and improve profitability, while maintaining comfortable asset quality and capitalisation will be key rating sensitivity factors.

Positive: The rating may be upgraded if the company can showcase robust portfolio growth with increasing granularity in the loan book, while maintaining comfortable asset quality, improving profitability and maintaining a prudent capital structure.

Negative: The rating may be downgraded if the asset quality weakens or profitability does not improve as expected.

LIQUIDITY POSITION: ADEQUATE

As per the ALM position dated 31 May 2020 provided by the company, there were no negative cumulative mismatches. The company's scheduled debt servicing and operating expenses aggregate to Rs 383 Crs between June 2020 to December 2020. Against this, it has scheduled inflows of Rs 360 Crs in the form of interest and principal on loan assets. The company also has cash and cash equivalents of Rs 220 Crs as on 31 May 2020. Even after sensitising the collections, the company has adequate liquidity to meet its debt obligations.

Coronavirus disease (COVID-19), declared a pandemic by the World Health Organisation (WHO), has become a full-blown crisis globally, including in India. As a containment measure, the Indian Government had announced a 21-day nationwide lockdown on 24 March 2020, which was subsequently extended until 31 May 2020. As per BWR, financial institutions, mainly those lending directly or indirectly, to the retail low-income borrower segments could be the most impacted. The 6-month moratorium announced by the Reserve Bank of India on the interest and principal on bank debt has provided some cushion to the lending community to realign its collection machinery and operations during this period. However, lenders' ability to ensure credit discipline among borrowers as the 6-month moratorium ends and to collect accumulated interest and principal dues on a timely basis after this period will be a key monitorable. BWR is actively engaging with its clients on a continuous basis and taking updates on the impact on its operations and liquidity situation. BWR will take appropriate rating actions as and when it deems necessary and publish the same.

COMPANY PROFILE

Vivriti Capital Private Limited (VCPL) is a systemically important non-deposit-taking NBFC (SI-ND-NBFC) incorporated on 22 June 2017 as a private company, which subsequently obtained an NBFC license from the RBI on 5 January 2018. VCPL's business operations can be broadly divided into two segments, the lending business and arranger business through CredAvenue Marketplace. The company's total portfolio stood at Rs 1014 Crs as on 31 March 2020, which includes an on-book portfolio of Rs 923 Crs. The company has concluded around

1200 transactions amounting to over Rs 25,000 Crs until March 2020 through its CredAvenue platform.

KEY FINANCIAL INDICATORS

Key Parameters	Units	FY19	FY20
Result Type		Audited	Audited
Total Income from operations	(in ₹ Cr)	43.49	147.74
Net Profit	(in ₹ Cr)	1.70	10.29
Tangible Net Worth	(in ₹ Cr)	242.70	662.14
Total Borrowings	(in ₹ Cr)	355.55	776.65
Gearing	(in times)	1.46	1.17
Arranger Business Volume	(in ₹ Cr)	9760	12,546

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED: NA

NON-COOPERATION WITH PREVIOUS RATING AGENCY, IF ANY: NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS (Including withdrawal & suspended)

Facilities	Current Rating			Rating History for the past 3 years				
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	2020		2019	2018	2017
Secured NCDs #	Long Term	100.00	BWR A/ Stable	NA	NA	NA	NA	NA
Term Loans #	Long Term	100.00	BWR A/ Stable	15.02.20	BWR A/ Stable	NA	NA	NA
Total		200.00	INR Two Hundred Crores Only					

Proposed.

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf



Hyperlink/Reference to applicable Criteria:

- General Criteria
- Banks & Financial Institutions

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